



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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STEPHEN R. MAGUIN
Chief Engineer and General Manager

August 28, 2008

File: 31-150.13.10

Boards of Directors
County Sanitation Districts Nos. 27
and 35 of Los Angeles County

Directors:

The consolidated agenda includes the following items for the regular meetings of the Boards of Directors of the Districts meeting Tuesday, September 9, 2008.

1. Approval of Minutes. Copies of the minutes have been provided to each of the Directors.
2. Approval of Departmental Invoices. A departmental invoice is an internal document that transfers each District's proportionate share of expenditures made by District No. 2, the administrative District, on behalf of the participating Districts in accordance with authority granted through joint agreements. During the month, charges are made to a clearing account which is administered by District No. 2 and then are distributed at month end according to said agreements.
3. Specific Purpose Investments Made by Los Angeles County Treasurer and Tax Collector (Treasurer) on Behalf of District.
 - a) Adopt Resolution Approving Memorandum of Understanding (MOU) Providing Terms and Conditions for Specific Purpose Investments (SPI) by the Treasurer.
 - b) Order Execution of MOU.

The Districts have utilized the Treasurer to invest non-operating funds through the County's SPI program and in accordance with each District's investment policy. The Treasurer has requested that each District adopt a Resolution that includes a revised fee schedule for SPI investments and a new MOU that better defines the roles and responsibilities of the parties. The revised fee schedule provides for a tiered fee structure that will reduce Districts' costs for the program. The proposed resolution is attached.

Very truly yours,

Stephen R. Maguin

SRM:tg

Enclosures

cc: Dan Hyde
Alisa Katz
Susan Nissman
Paul Novak
Norm Hickling

Executive Office (8 copies, one for PRESS with minutes of 06/10/2008 meetings attached)

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICTS
NOS. 27 AND 35

To be held in the HEARING ROOM
OF THE BOARD OF SUPERVISORS
Kenneth Hahn Hall of Administration, Los Angeles, California

| | | | | |
|------------|-------|------------------------|--------|--------------|
| TUESDAY | | September 9, 2008 | | At 9:30 A.M. |
| ANTONOVICH | KNABE | BURKE (Chairperson) | MOLINA | YAROSLAVSKY |

1. Recommendation: Approve minutes of the regular meetings held June 10, 2008 (both Districts).

2. Recommendation: Approve departmental invoices as follows:

| | <u>May 2008</u> | <u>June 2008</u> | <u>July 2008</u> |
|---------------------|-----------------|------------------|------------------|
| District No. 27 (3) | \$4,726.01 | (\$230,921.36) | \$6,399.45 |
| District No. 35 (5) | 242.62 | 183.27 | 240.70 |

3. Recommendation: Specific Purposes Investments Made by Los Angeles County Treasurer and Tax Collector (Treasurer) on Behalf of District:

a) Adopt Resolution Approving Memorandum of Understanding (MOU) Providing Terms and Conditions for Specific Purpose Investments (SPI) by Treasurer.

b) Order Execution of MOU

Summary: The Districts have utilized the Treasurer to invest non-operating funds through the County's SPI program and in accordance with each District's investment policy. The Treasurer has requested that each District adopt a Resolution that includes a revised fee schedule for SPI investments and a new MOU that better defines the roles and responsibilities of the parties. The revised fee schedule provides for a tiered fee structures that will reduce Districts' costs for the program. The proposed resolution is attached.

Adjourn

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 27
HELD IN THE HEARING ROOM OF THE BOARD OF
SUPERVISORS, KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA

June 10, 2008
9:30 o'clock, A.M.

The Board of Directors of County Sanitation District No. 27 of Los Angeles County met in regular session.

There were present: Gloria Molina, Director from Los Angeles County
Donald R. Knabe, Director from Los Angeles County
Michael D. Antonovich, Director from Los Angeles County
Zev Yaroslavsky, Director from Los Angeles County
Yvonne B. Burke, Chairperson, Director from Los Angeles County

Absent: None

Also present: Kimberly S. Compton, Secretary of the District

Upon motion of Director Knabe, duly seconded and unanimously carried, the minutes of the regular meeting held March 11, 2008, were approved.

RE: DEPARTMENTAL INVOICES The following departmental invoices for the months of February, March and April 2008 were presented and upon motion of Director Knabe, duly seconded and unanimously carried, were approved:

No. 330 - February

DEBIT:

| | |
|--|--------------|
| C.S.D. #27 - Operating Fund - Operation & Maintenance | \$5,512.88 |
| C.S.D. #27 - Operating Fund - Joint Administration - Capital | 27.64 |
| C.S.D. #27 - Operating Fund - Local - Capital | <u>76.37</u> |
| | \$5,616.89 |

CREDIT:

| | |
|---|------------|
| C.S.D. #27 - Operating Fund - Abatement of Expense - I.D.S. | \$5,616.89 |
|---|------------|

No. 369 - March

DEBIT:

| | |
|--|--------------|
| C.S.D. #27 - Operating Fund - Operation & Maintenance | \$4,942.15 |
| C.S.D. #27 - Operating Fund - Joint Administration - Capital | 73.42 |
| C.S.D. #27 - Operating Fund - Local - Capital | <u>23.81</u> |
| | \$5,039.38 |

CREDIT:

| | |
|---|------------|
| C.S.D. #27 - Operating Fund - Abatement of Expense - I.D.S. | \$5,039.38 |
|---|------------|

No. 408 - April

DEBIT:

| | |
|--|--------------|
| C.S.D. #27 - Operating Fund - Operation & Maintenance | \$5,032.48 |
| C.S.D. #27 - Operating Fund - Joint Administration - Capital | <u>31.34</u> |
| | \$5,063.82 |

CREDIT:

| | |
|---|------------|
| C.S.D. #27 - Operating Fund - Abatement of Expense - I.D.S. | \$5,063.82 |
|---|------------|

RE: JOINT ADMINISTRATION - ANNUAL
FINANCIAL REPORT FOR FISCAL YEAR
ENDED 6/30/2008 - RECEIVE AND FILE

Upon motion of Director Knabe, duly seconded and
unanimously carried, the Comprehensive Annual
Financial Report of the County Sanitation Districts of
Los Angeles County for the fiscal year ended June 30,

2008, was accepted and ordered filed. The annual audit required by state and federal laws, was previously
mailed to the Directors.

RE: BUDGET 2008-09
OPERATING FUND

In a letter dated June 3, 2008, the Chief Engineer and
General Manager discussed matters pertaining to the
budget for the 2008-09 fiscal year. He presented a

sewerage system final budget for the 2008-09 fiscal year and recommended that the budget be adopted.

Upon motion of Director Knabe, duly seconded and unanimously carried, the sewerage system final
budget for 2008-09 was approved, adopted, and ordered filed.

RE: TAX LEVY
OPERATING FUND

In a letter dated June 3, 2008, the he Chief Engineer
and General Manager presented data for the tax levy
necessary for the Operating Fund and recommended

that the tax levy be requested in accordance therewith.

Upon motion of Director Knabe, duly seconded and unanimously carried, the following resolution was
adopted:

BE IT HEREBY DETERMINED, RESOLVED, AND ORDERED AS FOLLOWS:

That pursuant to the provisions of Article 6, Section 4815 of the County Sanitation District Act
(Chapter 3, Part 3, Division V, of the Health & Safety Code of the State of California), the Board of Directors
of County Sanitation District No. 27 of Los Angeles County does hereby find and declare that the sum of
\$244,000 is and will be the amount necessary to maintain, operate, extend, or repair any work or improvements
of the District for the collection, treatment, and disposal of sewage, and to defray all other expenses incidental
to the exercise of any of the District's powers, except the amounts necessary to acquire, construct, maintain,
and operate a refuse transfer or disposal system, or both, and any other expenses incidental to the operation of
said system during the ensuing year and prior to the annual levy of taxes for the fiscal year 2009-10, and the
Board of Supervisors of Los Angeles County is hereby requested to cause to be levied and collected at the
same time and in the same manner as the next general tax levy for the County a tax upon the real property in
said District, in an amount sufficient to raise said required amount, to wit: \$244,000, to be paid into the
County Treasury to the credit of the Operating Fund of the District.

The Secretary is hereby instructed to furnish a copy of this resolution and statement to said Board of
Supervisors of Los Angeles County at least fifteen (15) days before the first day of September 2008.

RE: APPROPRIATIONS
OPERATING FUND 2008-09

Upon motion of Director Knabe, duly seconded and
unanimously carried, the following appropriations were
ordered made in the Operating Fund:

Appropriation:

| | |
|---|------------------|
| O&M - Joint Administration | \$ 2,000 |
| O&M - Technical Services | 3,000 |
| O&M - Contract Disposal | 69,000 |
| O&M - Local District Sewers | 64,000 |
| Capital - Joint Administration | 1,000 |
| Capital - Local Capital | 405,000 |
| Capital - Disposal to City of Los Angeles | 104,000 |
| Bond Repayment | 66,000 |
| Contingency for Emergency | 10,000 |
| | <u>\$724,000</u> |

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 35
HELD IN THE HEARING ROOM OF THE BOARD OF
SUPERVISORS, KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA

June 10, 2008
9:30 o'clock, A.M.

The Board of Directors of County Sanitation District No. 35 of Los Angeles County met in regular session.

There were present: Gloria Molina, Director from Los Angeles County
Donald R. Knabe, Director from Los Angeles County
Michael D. Antonovich, Director from Los Angeles County
Zev Yaroslavsky, Director from Los Angeles County
Yvonne B. Burke, Chairperson, Director from Los Angeles County

Absent: None

Also present: Kimberly S. Compton, Secretary of the District

Upon motion of Director Knabe, duly seconded and unanimously carried, the minutes of the regular meeting held March 11, 2008, were approved.

RE: DEPARTMENTAL INVOICES The following departmental invoices for the months of February, March, and April 2008 were presented and upon motion of Director Knabe, duly seconded and unanimously carried, were approved:

No. 336 - February

DEBIT:

| | |
|--|--------------|
| C.S.D. #35 - Operating Fund - Operation & Maintenance | \$209.40 |
| C.S.D. #35 - Operating Fund - Joint Administration - Capital | <u>27.89</u> |
| | \$237.29 |

CREDIT:

| | |
|--|----------|
| C.S.D. #2 - Operating Fund - Abatement of Expense - I.D.S. | \$237.29 |
|--|----------|

No. 375- March

DEBIT:

| | |
|--|--------------|
| C.S.D. #35 - Operating Fund - Operation & Maintenance | \$199.21 |
| C.S.D. #35 - Operating Fund - Joint Administration - Capital | <u>73.65</u> |
| | \$272.86 |

CREDIT:

| | |
|--|----------|
| C.S.D. #2 - Operating Fund - Abatement of Expense - I.D.S. | \$272.86 |
|--|----------|

No. 414 -April

DEBIT:

| | |
|--|--------------|
| C.S.D. #35 - Operating Fund - Operation & Maintenance | \$203.06 |
| C.S.D. #35 - Operating Fund - Joint Administration - Capital | <u>31.46</u> |
| | \$234.52 |

CREDIT:

| | |
|--|----------|
| C.S.D. #2 - Operating Fund - Abatement of Expense - I.D.S. | \$234.52 |
|--|----------|

RE: JOINT ADMINISTRATION - ANNUAL
FINANCIAL REPORT FOR FISCAL YEAR
ENDED 6/30/2008 - RECEIVE AND FILE

Upon motion of Director Knabe, duly seconded and unanimously carried, the Comprehensive Annual Financial Report of the County Sanitation Districts of Los Angeles County for the fiscal year ended June 30,

2008, was accepted and ordered filed. The annual audit required by state and federal laws, was previously mailed to the Directors.

RE: BUDGET 2008-09
OPERATING FUND

In a letter dated June 3, 2008, the Chief Engineer and General Manager discussed matters pertaining to the budget for the 2008-09 fiscal year. He presented a

sewerage system final budget for the 2008-09 fiscal year and recommended that the budget be adopted.

Upon motion of Director Knabe, duly seconded and unanimously carried, the sewerage system final budget for 2008-09 was approved, adopted, and ordered filed.

RE: APPROPRIATIONS
OPERATING FUND 2008-09

Upon motion of Director Knabe, duly seconded and unanimously carried, the following appropriations were ordered made in the Operating Fund:

Appropriation:

| | |
|--------------------------------|--------------|
| O&M - Joint Administration | \$ 2,000 |
| Capital - Joint Administration | 1,000 |
| Future District Activities | <u>9,000</u> |
| | \$ 12,000 |

Upon motion of Director Knabe, duly seconded and unanimously carried, the meeting adjourned.

ATTEST:

YVONNE B. BURKE
Chairperson

KIMBERLY S. COMPTON
Secretary

/tg

Upon motion of Director Knabe, duly seconded and unanimously carried, the meeting adjourned.

ATTEST:

YVONNE B. BURKE
Chairperson

KIMBERLY S. COMPTON
Secretary

/tg

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 5/31/2008

To: County Sanitation District No. 27
(Org. Receiving Services)

Date Service Accrued: May 31, 2008

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: June 26, 2008

DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

| | | |
|--------------------------------|----|----------|
| Operation & Maintenance | \$ | 4,712.17 |
| Joint Administration - Capital | | 13.84 |

| | | |
|----------------------|----|-----------------|
| Total of all charges | \$ | <u>4,726.01</u> |
|----------------------|----|-----------------|

Recap 044

Document No. 447

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 5/31/2008

To: County Sanitation District No. 35
(Org. Receiving Services)

Date Service Accrued: May 31, 2008

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: June 26, 2008

DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

| | | |
|--------------------------------|----|--------|
| Operation & Maintenance | \$ | 228.76 |
| Joint Administration - Capital | | 13.86 |

| | | |
|----------------------|----|---------------|
| Total of all charges | \$ | <u>242.62</u> |
|----------------------|----|---------------|

Recap 044

Document No. 453

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 6/30/2008

To: County Sanitation District No. 27
(Org. Receiving Services)

Date Service Accrued: Jun 30, 2008

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: Jul 31, 2008

DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

| | |
|--------------------------------|---------|
| Joint Administration - Capital | \$ 8.57 |
| Local - Capital | 121.54 |

CREDIT:

| | |
|-------------------------|--------------|
| Operation & Maintenance | (231,051.47) |
|-------------------------|--------------|

| | |
|----------------------|------------------------|
| Total of all charges | <u>\$ (230,921.36)</u> |
|----------------------|------------------------|

Recap 048

Document No. 486

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 6/30/2008

To: County Sanitation District No. 35
(Org. Receiving Services)

Date Service Accrued: Jun 30, 2008

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: Jul 31, 2008

DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

| | | |
|--------------------------------|----|--------|
| Operation & Maintenance | \$ | 174.63 |
| Joint Administration - Capital | | 8.64 |

| | | |
|----------------------|----|---------------|
| Total of all charges | \$ | <u>183.27</u> |
|----------------------|----|---------------|

Recap 048

Document No. 492

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 7/31/08

To: County Sanitation District No. 27
(Org. Receiving Services)

Date Service Accrued: July 31, 2008

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: Aug 21, 2008

DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

| | |
|--------------------------------|-------------|
| Operation & Maintenance | \$ 6,327.75 |
| Joint Administration - Capital | 32.94 |
| Local - Capital | 38.76 |

| | |
|----------------------|---------------------------|
| Total of all charges | <u><u>\$ 6,399.45</u></u> |
|----------------------|---------------------------|

Recap 04

Document No. 18

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 7/31/08

To: County Sanitation District No. 35
(Org. Receiving Services)

Date Service Accrued: July 31, 2008

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: Aug 21, 2008

DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

| | | |
|--------------------------------|----|--------|
| Operation & Maintenance | \$ | 207.49 |
| Joint Administration - Capital | | 33.21 |

| | | |
|----------------------|----|---------------|
| Total of all charges | \$ | <u>240.70</u> |
|----------------------|----|---------------|

Recap 04

Document No. 24

Date Board Approved: _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 27 OF LOS ANGELES COUNTY AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING DIRECTING THE SPECIFIC INVESTMENT OF EXCESS DISTRICT FUNDS BY THE LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR

WHEREAS, the Board of Directors ("Board") of County Sanitation District No. 27 of Los Angeles County ("District") has excess funds available for investment by the office of the Los Angeles County Treasurer and Tax Collector ("Treasurer"); and

WHEREAS, specific investment objectives of the District may require that all or a portion of these funds be invested in instruments other than the Los Angeles County Pooled Surplus Investment fund; and

WHEREAS, the Board is aware that the Treasurer, upon request and with approval of the Board, will make specific investments at the request of and on behalf of the District pursuant to a Memorandum of Understanding ("MOU"); and

WHEREAS, the Board has determined that it is desirable for the Treasurer, on behalf of the District, to make certain specific investments at the District's request. In making this determination, the Board is aware that the investment of excess funds in specific investments represents a commitment of such funds for a designated period of time; and

WHEREAS, the Board acknowledges and fully understands that a request by the District directing the Treasurer to liquidate a specific investment prior to the investment's maturity date may result in a loss of principal or anticipated income as a result of such liquidation; and

WHEREAS, the Board is willing to pay fees to the Treasurer for services related to the investment of excess funds, as detailed in the "Los Angeles County Treasurer Specific Purpose Investment Fee Schedule," which may be amended from time to time, a copy of which is attached hereto as Attachment A.

WHEREAS, the following District positions and their designees, if applicable, are designated and authorized to commit District funds to be specifically invested by the Treasurer until this designation is revoked or amended by the Board and delivered to the Treasurer in writing:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:

SECTION 1. The names, titles, and specimen signatures of the persons currently holding the positions designated herein and contained in Attachment B are authorized to make specific investments of the District's excess funds with the Treasurer. The Board Secretary shall revise and deliver to the Treasurer any changes to Attachment B as they occur. The Treasurer may rely on the latest authorized list received from the District.

SECTION 2. The District agrees to indemnify the County, Treasurer, their employees and representatives, and hold them harmless against, any loss of principal or interest, liability, or expense incurred without gross negligence or bad faith on the Treasurer's part, arising out of or in connection with its acceptance or administration of its duties hereunder.

SECTION 3. The Board approves the form of Memorandum of Understanding for the investment of funds in specific instruments, substantially in the form attached.

SECTION 4. The District has its own Investment Policy.

A RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 35 OF LOS ANGELES COUNTY AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING DIRECTING THE SPECIFIC INVESTMENT OF EXCESS DISTRICT FUNDS BY THE LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR

WHEREAS, the Board of Directors ("Board") of County Sanitation District No. 35 of Los Angeles County ("District") has excess funds available for investment by the office of the Los Angeles County Treasurer and Tax Collector ("Treasurer"); and

WHEREAS, specific investment objectives of the District may require that all or a portion of these funds be invested in instruments other than the Los Angeles County Pooled Surplus Investment fund; and

WHEREAS, the Board is aware that the Treasurer, upon request and with approval of the Board, will make specific investments at the request of and on behalf of the District pursuant to a Memorandum of Understanding ("MOU"); and

WHEREAS, the Board has determined that it is desirable for the Treasurer, on behalf of the District, to make certain specific investments at the District's request. In making this determination, the Board is aware that the investment of excess funds in specific investments represents a commitment of such funds for a designated period of time; and

WHEREAS, the Board acknowledges and fully understands that a request by the District directing the Treasurer to liquidate a specific investment prior to the investment's maturity date may result in a loss of principal or anticipated income as a result of such liquidation; and

WHEREAS, the Board is willing to pay fees to the Treasurer for services related to the investment of excess funds, as detailed in the "Los Angeles County Treasurer Specific Purpose Investment Fee Schedule," which may be amended from time to time, a copy of which is attached hereto as Attachment A.

WHEREAS, the following District positions and their designees, if applicable, are designated and authorized to commit District funds to be specifically invested by the Treasurer until this designation is revoked or amended by the Board and delivered to the Treasurer in writing:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:

SECTION 1. The names, titles, and specimen signatures of the persons currently holding the positions designated herein and contained in Attachment B are authorized to make specific investments of the District's excess funds with the Treasurer. The Board Secretary shall revise and deliver to the Treasurer any changes to Attachment B as they occur. The Treasurer may rely on the latest authorized list received from the District.

SECTION 2. The District agrees to indemnify the County, Treasurer, their employees and representatives, and hold them harmless against, any loss of principal or interest, liability, or expense incurred without gross negligence or bad faith on the Treasurer's part, arising out of or in connection with its acceptance or administration of its duties hereunder.

SECTION 3. The Board approves the form of Memorandum of Understanding for the investment of funds in specific instruments, substantially in the form attached.

SECTION 4. The District has its own Investment Policy.